

SANDISK CORPORATION'S NOTICE OF MOTION  
AND MOTION FOR SUMMARY JUDGMENT RE  
DAMAGES, EXHAUSTION, INVALIDITY, AND  
NONINFRINGEMENT

**PUBLIC REDACTED VERSION**

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**UNITED STATES DISTRICT COURT**  
**NORTHERN DISTRICT OF CALIFORNIA**

SANDISK CORPORATION,  
  
Plaintiff and Counterclaim Defendant,  
  
vs.  
  
ROUND ROCK RESEARCH LLC,  
  
Defendant and Counterclaim Plaintiff.

Case No. 3:11-cv-05243 RS

**SANDISK CORPORATION'S NOTICE  
OF MOTION AND MOTION FOR  
SUMMARY JUDGMENT RE  
DAMAGES, EXHAUSTION,  
INVALIDITY, AND NON-  
INFRINGEMENT**

Date: April 25, 2014  
Time: 1:30 p.m.  
Honorable Richard Seeborg

**SUBMITTED  
UNDER  
SEAL  
(highlighted)**

## TABLE OF CONTENTS

Page

I.	ROUND ROCK IS NOT ENTITLED TO DAMAGES FOR ALLEGED INFRINGEMENT OF THE '791 PATENT PRIOR TO AUGUST 3, 2011.....	1
A.	Legal and Factual Background .....	1
B.	The JEDEC Disclosures Are Legally Insufficient to Provide Actual Notice to SanDisk Under 35 U.S.C. § 287(a).....	2
II.	ROUND ROCK HAS NO EVIDENCE OF INFRINGEMENT OF CLAIM 1 OF THE '345 PATENT .....	3
III.	SANDISK DOES NOT INFRINGE CLAIMS 1, 2, AND 4 OF THE '839 PATENT.....	5
IV.	PATENT EXHAUSTION ELIMINATES SANDISK'S LIABILITY FOR ALLEGED INFRINGEMENT OF THE '791, '053, AND '345 PATENTS .....	6
A.	Legal and Factual Background .....	7
1.	SanDisk purchases memory from Toshiba entities which have an unrestricted, worldwide license to the '791, '053, and '345 Patents. ....	7
B.	The Supreme Court Has Established that the Focus of Exhaustion/First Sale is Whether an Authorized Sale Took Place, Such That an Intellectual Property Owner Only Gets a Single Reward for a Particular Article.....	8
1.	The "single-reward" principle underlies patent exhaustion.....	8
2.	Patent exhaustion turns on whether the patent owner has authorized the sale of a product that substantially embodies a United States patent, and not where the sale took place. ....	9
3.	The Supreme Court rejected geographic limitations to copyright "first sale" doctrine in order to limit a copyright owner to a single reward.....	10
C.	The Patentee Received Its Reward for the Patents-in-Suit, and the Authorized Sale from the Toshiba Entities to SanDisk Exhausts those Patents.....	11
1.	<i>Jazz Photo</i> and <i>Ninestar</i> rely on the narrow <i>Boesch v. Graf</i> decision.....	12
2.	The <i>Jazz Photo</i> and <i>Ninestar</i> cases rely upon <i>Boesch v. Graf</i> , which did not involve an authorized sale under a United States patent. ....	13
3.	<i>Boesch</i> , <i>Jazz Photo</i> , and <i>Ninestar</i> are inapplicable, because Micron authorized Toshiba's sales under a worldwide license to U.S. patents. ....	14
a.	Other courts have directly addressed applying exhaustion to products sold overseas pursuant to a worldwide license. ....	15
4.	Round Rock seeks to establish a system where a patentee can receive multiple rewards for an authorized sale, and where a patentee can impose post-sale restrictions on an unconditional license. ....	17

1 D. The Accused Products Substantially Embody Claims of the Patents-In-Suit..... 18

2 V. CLAIM 14 OF THE '791 PATENT IS INVALID FOR ANTICIPATION..... 19

3 A. Legal and Factual Background ..... 19

4 B. Chen Invalidates Asserted Claim 14 of the '791 patent. .... 20

5 1. It is undisputed that Chen discloses “a processor.” ..... 21

6 2. Chen discloses “a double data rate flash memory coupled to the

7 processor.” ..... 21

8 a. Chen expressly discloses “double data rate . . . memory

9 coupled to the processor.” ..... 21

10 b. There is no genuine dispute that Chen discloses “flash

11 memory” as one example of a DDR memory coupled to the

12 processor. .... 22

13 3. Chen expressly discloses an “array of non-volatile memory cells.” ..... 24

14 4. Chen discloses “a clock signal connection to receive a clock signal.” ..... 24

15 5. Chen discloses “control circuitry coupled to the array to provide two

16 data access operations per clock cycle.” ..... 24

17 VI. CONCLUSION..... 25

18

19

20

21

22

23

24

25

26

27

28

## TABLE OF AUTHORITIES

Page(s)**Cases**

<i>Adams v. Burke</i> , 84 U.S. (17 Wall.) 453 (1873) .....	9, 10, 14, 18
<i>Am. Calcar, Inc. v. Am. Honda Motor Co.</i> , 651 F.3d 1318 (Fed. Cir. 2011).....	23
<i>Amazon.com, Inc. v. Barnesandnoble.com, Inc.</i> , 239 F.3d 1343 (Fed. Cir. 2001).....	25
<i>Amsted Indus. Inc. v. Buckeye Steel Castings Co.</i> , 24 F.3d 180 (Fed. Cir. 1994).....	1, 2, 3
<i>Aro Mfg. Co. v. Convertible Top Replacement Co.</i> , 365 U.S. 336 (1961) .....	13
<i>Bloomer v. McQuewan</i> , 55 U.S. 539 (1852).....	9
<i>Boesch v. Graf</i> , 133 U.S. 697 (1890).....	13
<i>Boston Scientific Corp. v. Medtronic Inc.</i> , No. 2011-1313, -1372 (Fed. Cir. Mar. 11, 2014).....	4, 5
<i>Curtiss Aeroplane &amp; Motor Corp. v. United Aircraft Eng'g Corp.</i> , 266 F. 71 (2d Cir. 1920).....	14
<i>Dynacore Holdings Corp. v. U.S. Philips Corp.</i> , 363 F.3d 1263 (Fed. Cir. 2004).....	20
<i>Freedman Seating Co. v. Am. Seating Co.</i> , 420 F.3d 1350 (Fed. Cir. 2005).....	4
<i>Fuji Photo Film Co., Ltd. v. Benun</i> , 463 F.3d 1252 (Fed. Cir. 2006) .....	12, 13
<i>Fujifilm Corp. v. Benun</i> , 605 F.3d 1366 (Fed. Cir. 2010).....	12, 13, 16
<i>Hobbie v. Jennison</i> , 149 U.S. 355 (1893).....	9-10, 14
<i>Hoover Univ., Inc. v. Graham Packaging Corp.</i> , No. CV-95-3331-KMW, 1997 WL 413600 (C.D. Cal. Apr. 17, 1997).....	3
<i>Impax Labs v. Aventis Pharms.</i> , 545 F.3d 1312 (Fed. Cir. 2008).....	24
<i>Innovus Prime, LLC v. Panasonic Corp.</i> , No. C-12-006600-RMW, 2013 WL 3354390 (N.D. Cal. July 2, 2013) .....	7

1	<i>Invitrogen Corp. v. Clontech Labs., Inc.</i> , 429 F.3d 1052 (Fed. Cir. 2005).....	23
2	<i>IPXL Holdings, L.L.C. v. Amazon.com, Inc.</i> , 430 F.3d 1377 (Fed. Cir. 2005).....	20
3		
4	<i>Jazz Photo Corp. v. Int’l Trade Comm’n</i> , 264 F.3d 1094 (Fed. Cir. 2001).....	12, 13
5	<i>Keeler v. Standard Folding-Bed Co.</i> , 157 U.S. 659 (1895).....	10, 11, 14, 18
6		
7	<i>Kirtsaeng v. John Wiley &amp; Sons, Inc.</i> , 568 U.S. ---, 133 S. Ct. 1351 (2013).....	10, 11, 16, 18
8	<i>LifeScan Scot., Ltd. v. Shasta Techs., LLC</i> , 734 F.3d 1361 (Fed. Cir. 2013).....	10, 11
9		
10	<i>LG Elecs., Inc. v. Hitachi, Ltd.</i> , 655 F. Supp. 2d 1036 (N.D. Cal. 2009) .....	12, 15, 19
11	<i>Matsushita Elec. Indus. Co. v. Zenith Radio Corp.</i> , 475 U.S. 574 (1986).....	20
12		
13	<i>Medimmune, LLC v. PDL BioPharma, Inc.</i> , No. C 08-5590 JF (HRL), 2011 WL 61191 (N.D. Cal. Jan. 7, 2011).....	16
14	<i>MEHL/Biophile Int’l Corp. v. Milgraum</i> , 192 F.3d 1362 (Fed. Cir. 1999).....	25
15		
16	<i>Multimedia Patent Trust v. Apple, Inc.</i> , No. 10-CV-2618-H (KSC), 2012 WL 6863471 (S.D. Cal. Nov. 9, 2012) .....	16, 17, 18
17	<i>Nike, Inc. v. Wal-Mart Stores, Inc.</i> , 138 F.3d 1437 (Fed. Cir. 1998).....	1
18		
19	<i>Ninestar Tech. Co., Ltd. v. Int’l Trade Comm’n</i> , 667 F.3d 1373 (Fed. Cir. 2012), <i>pet. for cert. denied</i> , 113 S. Ct. 1656 (Mar. 25, 2013)....	12, 13, 15
20	<i>Novartis Corp. v. Ben Venue Labs., Inc.</i> , 271 F.3d 1043 (Fed. Cir. 2001).....	5
21		
22	<i>Quanta Computer, Inc. v. LG Elecs., Inc.</i> , 553 U.S. 617 (2008).....	<i>passim</i>
23	<i>Sanofi, S.A. v. Med-Tech Veterinarian Prods., Inc.</i> , 565 F. Supp. 931 (D.N.J. 1983) .....	16
24		
25	<i>STMicroelectronics, Inc. v. SanDisk Corp.</i> , No. 4:05cv45, 2007 WL 951655 (E.D. Tex. Mar. 27, 2007).....	16
26	<i>Tessera, Inc. v. Int’l Trade Comm’n</i> , 646 F.3d 1357 (Fed. Cir. 2011).....	10
27		
28		

1 *U.S. v. Masonite Corp.*,  
316 U.S. 265 (1942)..... 7, 9, 17

2 *U.S. v. Univis Lens*,  
316 U.S. 241 (1942)..... 9, 17

4  
5 **Statutes**

6 35 U.S.C. § 102(e) ..... 20

7 35 U.S.C. § 287(a) ..... 1, 2

8 **Other Authorities**

9 *Model Patent Jury Instr. for the N.D. of Cal.* ..... 4

**NOTICE OF MOTION AND MOTION**

PLEASE TAKE NOTICE that on April 25, 2014 at 1:30 p.m., or as soon thereafter as this matter may be heard before the Honorable Richard Seeborg of the United States District Court for the Northern District of California, there will be a hearing on the following motion for summary judgment filed by Plaintiff and Counterclaim Defendant SanDisk Inc. (“SanDisk”).

**MEMORANDUM OF POINTS AND AUTHORITIES**

**I. ROUND ROCK IS NOT ENTITLED TO DAMAGES FOR ALLEGED INFRINGEMENT OF THE ’791 PATENT PRIOR TO AUGUST 3, 2011**

**A. Legal and Factual Background**

A patentee who fails to meet its affirmative burden to demonstrate compliance with the marking statute may not recover damages “except on proof that the infringer was notified of the infringement and continued to infringe thereafter, in which event damages may be recovered only for infringement occurring after such notice.” 35 U.S.C. § 287(a); *Nike, Inc. v. Wal-Mart Stores, Inc.*, 138 F.3d 1437, 1446 (Fed. Cir. 1998). The “notice must be an affirmative act on the part of the patentee which informs the defendant of his infringement.” *Amsted Indus. Inc. v. Buckeye Steel Castings Co.*, 24 F.3d 180, 187 (Fed. Cir. 1994). The Federal Circuit interprets this requirement strictly, requiring that the notice must be an “affirmative communication of a specific charge of infringement by a specific accused product or device.” *Id.*

As admitted by the lead inventor of United States Patent No. 6,570,791 (“the ’791 Patent”), Micron did not mark any of its products with patent numbers. [Ex. 1 (Roohparvar Dep. Tr.) at 83:10–84:9, 292:17–293:3.]<sup>1</sup> Similarly, Round Rock has licensed the ’791 patent to numerous companies as part of its portfolio, yet has no evidence that it imposed any marking requirements on its licensees. [Ex. 2 (Round Rock website).] To avoid further discovery as to marking obligations, counsel for Round Rock and Micron “stipulate[d] that Round Rock is not seeking pre-notice damages on the ’791 and ’053 patents.” [Ex. 3 (9/13/2013 E-mail from R. Cowell).] Therefore, Round Rock may only seek damages from the date upon which it provided actual notice of infringement to SanDisk. *See* 35 U.S.C. § 287(a).

<sup>1</sup> The exhibits cited herein refer to those attached to the Declaration of David J. Tobin in Support of SanDisk’s Motion for Summary Judgment.



**B. The JEDEC Disclosures Are Legally Insufficient to Provide Actual Notice to SanDisk Under 35 U.S.C. § 287(a).**

Round Rock contends that SanDisk was notified of the '791 patent either on August 3, 2011, or July 15, 2009. [*See, e.g.*, Ex. 4 (Wagner Rept.) at p. 124 ¶ 415.] As a matter of law, Round Rock cannot establish actual notice on any date prior to August 3, 2011. Round Rock's sole basis for alleging actual notice before August 3, 2011 is its technical expert's assertions that SanDisk had knowledge of the '791 patent as of July 15, 2009, because a few SanDisk employees "who were subscribed to the JEDEC jc40 and j64 (and other JEDEC) email distribution lists received [on that date] an email and attachments" labeled as Exhibits 1269–75 (collectively, "JEDEC Disclosures"). [*See* Ex. 5 (Zeidman Opening Rept.) at p. 36 ¶ 100.]

These JEDEC Disclosures do not satisfy the strict requirements of 35 U.S.C. § 287(a) because they are open letters to the JEDEC standards setting group, which is comprised of more than 50 companies, and are sent to all recipients on the listserv. [*See* Exs. 1269–75.] The letters do not provide actual notice because they do not refer to any products, nor do they allege that any products infringe any patent claim. As Round Rock's own expert concedes, the JEDEC Disclosures neither identify any specific SanDisk products nor even refer to SanDisk. [Ex. 6 (Zeidman Dep. Tr.) at 304:13–16, 306:4–9.] Furthermore, the JEDEC Disclosures do not allege infringement of the '791 patent, but instead identify numerous Micron patents and then commit "to license any party under the patent rights." [*See, e.g.*, Exs. 1270, 1271, 1274, 1275.] These letters are "merely informational, of the kind that companies often send to others without intending to charge infringement. Just as such letters tend not to be threats sufficient to justify a declaratory judgment action, they also are not charges of infringement for 'notice' purposes." *Amsted*, 24 F.3d at 186, 187 (finding "letter . . . broadcast to a number of other companies" to be insufficient notice under § 287(a) when the letter instructed the companies to "acquaint yourself with the [patent] and refrain from supplying or offering to supply component parts which would infringe or contribute to the infringement of the patent"). The JEDEC Disclosures do not even suggest infringement, let alone provide a "specific charge of infringement by a specific accused product or device," and accordingly do not provide actual notice. *Id.* at 187 ("[N]otice must be of 'the infringement,' not merely notice of the patent's existence or ownership").

1 Unable to identify any person at SanDisk who actually “knew that any SanDisk product  
2 infringed the ’791 patent,” Round Rock’s expert argues that the persons on “that JEDEC list should  
3 have known” that they were infringing. [Ex. 6 (Zeidman Dep. Tr.) at 286:22–287:7.] This theory  
4 “is irrelevant,” because it does not “focus on the action of the patentee.” *Amsted*, 24 F.3d at 187.

5 To hold otherwise would be to read the statute to say: “[D]amages may be recovered  
6 for infringement occurring after the infringer is, *or should have been, aware* of such  
7 infringement.” This is not the law. The statutory requirement of “notice” is  
unambiguous. There can be no recovery for the period before the defendant is  
expressly notified by the particular patentee that it is infringing a particular patent.  
8 *Hoover Univ., Inc. v. Graham Packaging Corp.*, No. CV-95-3331-KMW, 1997 WL 413600, at \*2  
9 (C.D. Cal. Apr. 17, 1997) (quoting *Amsted*, emphasis altered). Because Round Rock’s only  
10 evidence before August 3, 2011 is legally insufficient to constitute actual notice, Round Rock is not  
11 entitled to seek damages before August 3, 2011.

## 12 **II. ROUND ROCK HAS NO EVIDENCE OF INFRINGEMENT OF CLAIM 1 OF THE** 13 **’345 PATENT**

14 Claim 1 of U.S. Patent Nos. 5,682,345 (“the ’345 patent”) recites three separate means-plus-  
15 function limitations: “program means,” “recall means,” and “load means.” [Dkt. No. 167 at 16–19;  
16 Dkt. No. 179.] The Court construed each of these terms to require not just any set of transistors, but  
17 specific sets of transistors and connections between those transistors. [*Id.*] For example, the Court  
18 construed “program means” to require “transistors 16, 20, 24, and 26 and the shared control wire,  
19 and equivalents thereof”; “recall means” to require “a pair of transistors connected between the non-  
20 volatile memory and the corresponding halves of the volatile memory latch 12, and equivalents  
21 thereof”; and “load means” to require “a pair of transistors coupled between data inputs and  
22 corresponding inputs of the volatile memory latch and equivalents thereof.” [*Id.*]

23 Round Rock’s technical expert focused on the “function” aspect of the means-plus-function  
24 claims but ignored the “structure” requirement. Indeed, his opinion is that he “can analyze only the  
25 functionality and the fact that it has transistors so I believe that infringes.” [Ex. 6 (Zeidman Dep.  
26 Tr.) at 208:10–13; *see also id.* at 210:3–10; Ex. 7 (Zeidman Opening Rept.) at Exhibit E pp. 31, 32  
27 (arguing that whatever circuitry and transistors SanDisk has is “likely equivalent” to the claimed  
28 structure because “SanDisk’s circuitry is transistor-based and performs the same function”).]

1 Indeed, he admits that he did not “undertake a full analysis of whether those [accused] products  
2 contain equivalent structures that fulfill the load means, program means, and recall means elements  
3 of claim 1.” [Ex. 8 (Zeidman Reply Rept.) at p. 9 ¶ 34.]

4 Round Rock’s expert based his analyses on the repeated assertion that in “the accused  
5 products, that circuitry consists of transistors,” [see Ex. 7 (Zeidman Opening Rept.) at Exhibit E  
6 pp. 31, 32], but that says nothing about infringement. Mr. Zeidman does not point to any specific  
7 transistors or connections between transistors in the accused products, as required by the Court’s  
8 constructions. See *Boston Scientific Corp. v. Medtronic Inc.*, No. 2011-1313, -1372, Slip op. at 4  
9 (Fed. Cir. Mar. 11, 2014) (rejecting “vague perfunctory language” in expert report). Mr. Zeidman  
10 does not identify which components in the accused products fulfill the requirement of “transistors  
11 16, 20, 24, and 26”; he does not identify any component as a “shared control wire,” and he does not  
12 identify any components that constitute “volatile memory latch 12” (and does not even identify any  
13 “latch”). [See Ex. 7.] Further, Mr. Zeidman does not analyze the differences between SanDisk’s  
14 products and the claimed structure, nor does he show that a person of ordinary skill in the field  
15 would have considered those differences to be insubstantial. Last, Mr. Zeidman fails to demonstrate  
16 that the (unidentified) structure in the SanDisk products was available on the date the ’345 patent  
17 was granted. Because Mr. Zeidman has ignored the corresponding structure required by the Court’s  
18 constructions, Round Rock has failed to demonstrate infringement. See *Freedman Seating Co. v.*  
19 *Am. Seating Co.*, 420 F.3d 1350, 1358 (Fed. Cir. 2005) (it is well established that “an accused  
20 product or process is not infringing unless it contains each limitation of the claim, either literally or  
21 by an equivalent”); see also *Model Patent Jury Instr. for the N.D. of Cal.* at 18–19 (describing the  
22 requirements to prove infringement of means-plus-function limitations).

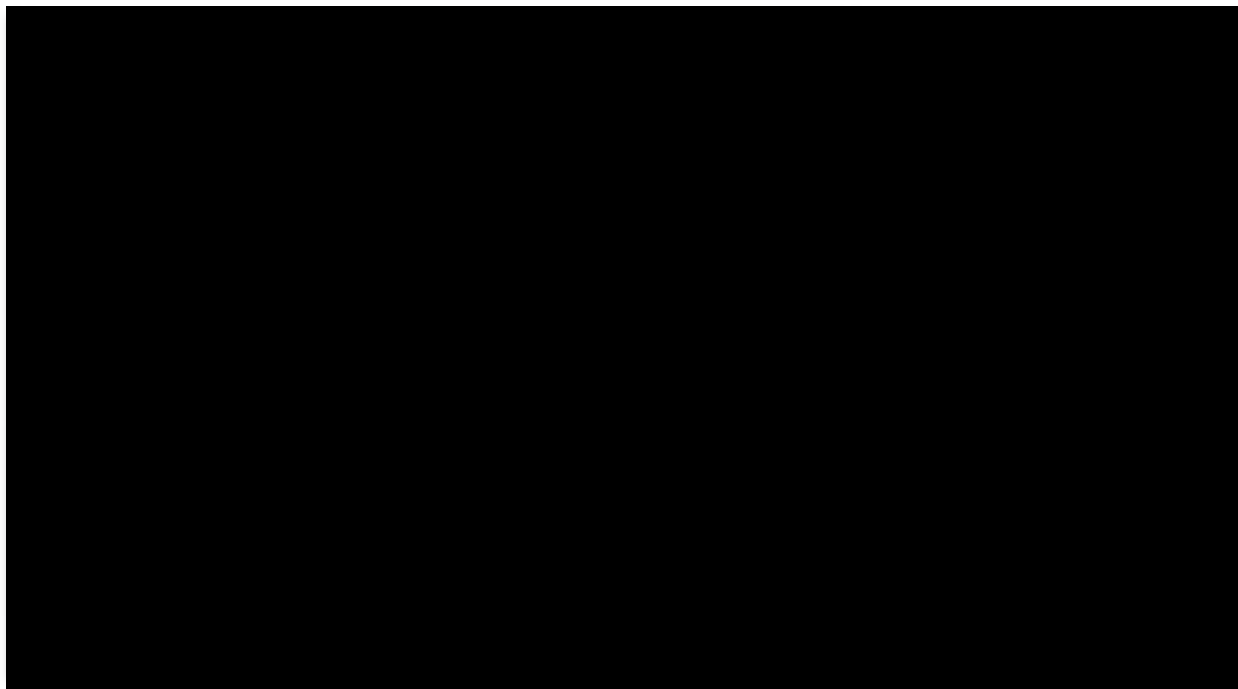
23 Mr. Zeidman seeks to excuse his failure of proof by foisting his burden upon SanDisk,  
24 blaming SanDisk for failing to “provide[ ] schematics or RTL code for the accused products.”  
25 [Ex. 7 (Zeidman Opening Rept.) at Exhibit E pp. 31, 32.] However, SanDisk did produce RTL code  
26 to Round Rock [Ex. 9], yet even as late as his deposition (February 12, 2014), Round Rock chose not  
27 to share any of the RTL code it received with Mr. Zeidman. [Ex. 6 (Zeidman Dep. Tr.) at 208:14–  
28 17, 210:15–211:2.] More importantly, infringement is Round Rock’s burden, and Mr. Zeidman

1 should not be allowed to ignore the Court’s claim construction because his counsel failed to give him  
 2 the documents he wanted. *See Novartis Corp. v. Ben Venue Labs., Inc.*, 271 F.3d 1043, 1046 (Fed.  
 3 Cir. 2001) (“Since the ultimate burden of proving infringement rests with the patentee, an accused  
 4 infringer seeking summary judgment of noninfringement may meet its initial responsibility either by  
 5 providing evidence that would preclude a finding of infringement, or by showing that the evidence  
 6 on file fails to establish a material issue of fact essential to the patentee’s case”); *Boston Scientific*,  
 7 No. 2011-1313, -1372, Slip op. at 4 (confirming that in the context of a declaratory judgment action,  
 8 the patentee’s expert has “the requirement to opine on the presence of structure meeting every claim  
 9 limitation”).

### 10 **III. SANDISK DOES NOT INFRINGE CLAIMS 1, 2, AND 4 OF THE ’839 PATENT**

11 Claim 1 of U.S. Patent No. 6,383,839 (“the ’839 patent”) recites “forming a plurality of bond  
 12 pads on said semiconductor device, adjacent a single edge thereof,” and claims 2 and 4 depend from  
 13 claim 1. [Dkt. No. 142-1 (’839 patent) at 5:64–67.] The Court construed that phrase to require that  
 14 the bond pads be “adjacent *only* one edge.” [Dkt. No. 167 at 15–16 (emphasis added).] The Court  
 15 reasoned that “absent the word ‘only,’ a chip with bond pads and leads along one edge would satisfy  
 16 the claim even if it *also* had leads and bond pads along another edge.” [*Id.* at 16.] “Round Rock,  
 17 however, expressly disavow[ed] any intent to argue that a chip with leads and bond pads situated  
 18 along multiple edges is within the scope of the claim,” and the Court agreed that “such a chip would  
 19 be outside the scope of this claim.” [*Id.* at 15–16.]

20 Under the Court’s construction, the accused SanDisk products do not infringe because bond  
 21 pads on the accused microSD cards [REDACTED]  
 22 [REDACTED] “Below is a bonding diagram for an exemplary microSD card utilizing a  
 23 [REDACTED] controller and a single memory chip. The controller is illustrated in green and the memory  
 24 chip is illustrated in yellow.” [Declaration of Ron Maltiel, Ex. B (Rebuttal Rept.) at 113 ¶ 250.]  
 25  
 26  
 27  
 28



[*Id.* at 114 (further annotated to insert labels and arrows).] As can be seen, [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED] [*Id.* at 115 ¶ 250.] [REDACTED]

[REDACTED]

[REDACTED] [Ex. 10 (Afromowitz Dep. Tr.) at

92:18–19.] [REDACTED]

[REDACTED] [*Id.*

at 92:20–24.] [REDACTED]

[REDACTED], SanDisk does not infringe claims 1, 2, or 4 of the '839 patent.

#### **IV. PATENT EXHAUSTION ELIMINATES SANDISK'S LIABILITY FOR ALLEGED INFRINGEMENT OF THE '791, '053, AND '345 PATENTS**

Summary judgment is warranted as to SanDisk's patent exhaustion defense with regard to three of the four remaining patents-in-suit: the '791 patent, the '345 patent, and 6,845,053 ("the '053 patent"). The material facts are not in genuine dispute. First, SanDisk buys its flash memory chips from Toshiba

1 entities<sup>2</sup> that are authorized to make such sales pursuant to a worldwide license with Micron [REDACTED]  
 2 [REDACTED]. As Micron's assignee, Round Rock  
 3 "steps into the shoes with regard to the rights that the assignor [Micron] held and not in an expansion of  
 4 those rights." *Innovus Prime, LLC v. Panasonic Corp.*, No. C-12-006600-RMW, 2013 WL 3354390, at  
 5 \*5 (N.D. Cal. July 2, 2013) (explaining the "longstanding principle that an assignee of a patent takes the  
 6 patent subject to prior licenses"). Second, there is no reasonable dispute that the flash memory chips  
 7 purchased by SanDisk substantially embody claims from the three patents-in-suit.

8 Round Rock's primary attack on SanDisk's patent exhaustion defense is that SanDisk buys  
 9 its flash memory chips outside the United States. Even though the Toshiba entities have already  
 10 compensated the patent holder for the unrestricted right under the patents-in-suit [REDACTED]  
 11 [REDACTED] of flash memory chips *anywhere in the world*, Round Rock contends that  
 12 customers of the Toshiba entities must separately pay the patent holder when the Toshiba entities  
 13 exercise their rights under those patents. It is precisely this form of "double dipping" that the patent  
 14 exhaustion doctrine was designed to prevent.

#### 15 A. Legal and Factual Background

16 "The authorized sale of an article that substantially embodies a patent exhausts the patent  
 17 holder's rights and prevents the patent holder from invoking patent law to control postsale use of the  
 18 article." *Quanta Computer, Inc. v. LG Elecs., Inc.*, 553 U.S. 617, 638 (2008). An unrestricted sale  
 19 of a product covered by a patent exhausts the patent holder's right to control use of that item  
 20 thereafter because the patentee has bargained for and received full value for the good. *See U.S. v.*  
 21 *Masonite Corp.*, 316 U.S. 265, 278 (1942) ("The test has been whether or not . . . it may fairly be  
 22 said that the patentee has received his reward for the use of the article.").

#### 23 1. SanDisk purchases memory from Toshiba entities which have an 24 unrestricted, worldwide license to the '791, '053, and '345 Patents.

25 Before Micron transferred the patents-in-suit to Round Rock [*see* Dkt. No. 108], Micron and

26 <sup>2</sup> [REDACTED]  
 27 [REDACTED] In this motion, Toshiba Corp. and its majority-owned subsidiaries  
 28 shall be collectively referred to as "Toshiba entities." [*See* Dkt. No. 132 (SanDisk's Opp. to Mot. for Summ. J.) at 5:13–6:15 and accompanying exhibits (describing relationship between Toshiba Corporation and its subsidiaries, and the process by which SanDisk purchases products).]

1 Toshiba executed a license agreement, whereby:

2  
3  
4  
5  
6 [See Dkt. No. 133, Ebertin Decl. Ex. 24 (Micron-Toshiba License) at § 3.1 (emphases added).]

7 [Redacted] [Id. at §§ 1.4–1.6, 1.11; see also Ex. 11 (Westergard  
8 Dep. Tr.) at 118:1–120:9.] [Redacted]

9 [Redacted] [Id. at §§ 1.13, 1.14 (emphasis added).] [Redacted]

10 [Redacted]  
11 [Redacted]  
12 [Ex. 12 (Wagner Dep. Tr.) at 232:14–24; see also id. at 22:13–23:8.]<sup>3</sup> Therefore, there is no dispute  
13 that flash memory sold by the Toshiba entities is licensed under the '791, '053, and '345 patents.

14 SanDisk purchases that licensed memory from the Toshiba entities, which import, export,  
15 sell and manufacture or cause to be manufactured the flash memory chips overseas at various  
16 factories in Japan. [See Dkt. No. 132 (SanDisk's Opp. to Mot. for Summ. J.) at 5:13–6:15 and  
17 accompanying exhibits (describing process by which SanDisk purchases memory).] Because the  
18 chips are covered by the worldwide Micron-Toshiba license, their authorized sale to SanDisk  
19 exhausts Round Rock's patent rights. The patent holder has already been compensated for the  
20 patents-in-suit as to the purchased flash memory chips and should not be compensated a second time  
21 under the same patents for the same flash memory chips.

22 **B. The Supreme Court Has Established that the Focus of Exhaustion/First Sale is**  
23 **Whether an Authorized Sale Took Place, Such That an Intellectual Property**  
24 **Owner Only Gets a Single Reward for a Particular Article.**

25 **1. The “single-reward” principle underlies patent exhaustion.**

26 The “decisions [of the Supreme Court] have uniformly recognized that the purpose of the

27 <sup>3</sup> [Redacted]  
28 [Redacted]



1 patent law is fulfilled with respect to any particular article when the patentee has received his reward  
 2 for the use of his invention by the sale of the article, and that once that purpose is realized the patent  
 3 law affords no basis for restraining the use and enjoyment of the thing sold.” *U.S. v. Univis Lens*,  
 4 316 U.S. 241, 251 (1942). The Supreme Court further explained that “[t]he test has been whether or  
 5 not there has been such a disposition of the article that it may fairly be said that the patentee has  
 6 received his reward for the use of the article.” *Masonite*, 316 U.S. at 278. More recently, the  
 7 Supreme Court reaffirmed this single-reward policy underlying patent exhaustion:

8 This case illustrates the danger of allowing such an end-run around exhaustion. On  
 9 LGE’s theory, although Intel is authorized to sell a completed computer system that  
 10 practices the LGE Patents, any downstream purchasers of the system could  
 11 nonetheless be liable for patent infringement. Such a result would violate the  
 longstanding principle that, when a patented item is “once lawfully made and sold,  
 there is no restriction on [its] use to be implied for the benefit of the patentee.”

12 *Quanta*, 553 U.S. at 630 (quoting *Adams v. Burke*, 84 U.S. (17 Wall.) 453, 457 (1873)).

13 **2. Patent exhaustion turns on whether the patent owner has authorized the**  
 14 **sale of a product that substantially embodies a United States patent, and**  
 15 **not where the sale took place.**

16 “The longstanding doctrine of patent exhaustion provides that the initial authorized sale of a  
 17 patented item terminates all patent rights to that item.” *See Quanta*, 553 U.S. at 625. One of the  
 18 cases relied upon by the *Quanta* Court was *Adams v. Burke*, in which the patent holder had licensed  
 19 a carpenter to make and sell coffin lids, but only within ten miles of Boston. *Adams*, 84 U.S. at 456–  
 20 57. The carpenter-licensee made an authorized sale—i.e., a sale within ten miles of Boston—of a  
 21 coffin lid to an undertaker, who then transported the lid beyond the ten-mile radius and put it to use.  
 22 *Id.* The Court denied the patent owner’s attempt to collect a second royalty from the undertaker for  
 23 using the coffin lid outside of the carpenter’s sales region, because “so far as the use of it was  
 24 concerned, the patentee had received his consideration, and it was no longer within the monopoly of  
 25 the patent.” *Id.* at 456; *see also Bloomer v. McQuewan*, 55 U.S. 539, 549 (1852) (“[W]hen the  
 machine passes to the hands of the purchaser, it is no longer within the limits of the monopoly”).

26 The Supreme Court has focused on whether a sale is authorized under a United States patent,  
 27 as opposed to the location of the sale. For example, the Court in *Hobbie v. Jennison* found  
 28 exhaustion involving pipe purchased in Michigan but used in Connecticut, outside the licensee’s



1 sales region. 149 U.S. 355, 362–633 (1893) (reading *Adams v. Burke* to stand for the proposition  
 2 “that the patentee, or his assignee, having in the act of sale received all the royalty or consideration  
 3 which he claims for use of his invention in that particular machine or instrument, it is *open to the*  
 4 *use of the purchaser without further restriction* on account of the monopoly of the patentee”  
 5 (emphasis added)). In another case involving sales regions subdivided by geography, the Supreme  
 6 Court stated that “we think it follows that one who buys patented articles of manufacture from one  
 7 authorized to sell them becomes possessed of an absolute property right in such articles, *unrestricted*  
 8 *in time or place.*” *Keeler v. Standard Folding-Bed Co.*, 157 U.S. 659, 666 (1895) (emphasis added)  
 9 (summarizing *Adams*, *Hobbie*, and other cases). In each of these Supreme Court cases, the Court  
 10 found that exhaustion depended upon and was triggered by whether the patent owner authorized the  
 11 sale of particular articles under a United States patent and whether the patentee had already been  
 12 compensated for those articles. *See Quanta*, 553 U.S. at 630–31 (using exhaustion to prevent patent  
 13 holder from “extend[ing] their rights through each downstream purchaser all the way to the end  
 14 user”); *Tessera, Inc. v. Int’l Trade Comm’n*, 646 F.3d 1357, 1369–70 (Fed. Cir. 2011) (“The proper  
 15 focus is on whether the sales were authorized”).

16 **3. The Supreme Court rejected geographic limitations to copyright “first**  
 17 **sale” doctrine in order to limit a copyright owner to a single reward.**

18 In *Kirtsaeng*, the Supreme Court addressed the issue of whether “the buyer [of a book  
 19 manufactured and sold abroad], like the buyer of a domestically manufactured copy, [is] free to bring  
 20 the copy into the United States and dispose of it as he or she wishes.” *Kirtsaeng v. John Wiley & Sons,*  
 21 *Inc.*, 568 U.S. ---, 133 S. Ct. 1351, 1355 (2013). The Court held in the affirmative, that the “‘first sale’  
 22 doctrine applies to copies of a copyrighted work lawfully made abroad.” *Id.* at 1356. The rationale  
 23 provided by the Supreme Court regarding the copyright “first sale” doctrine is instructive to patent  
 24 exhaustion, because both doctrines stem from common law and involve similar underlying policies.  
 25 *LifeScan Scot., Ltd. v. Shasta Techs., LLC*, 734 F.3d 1361, 1375 n.9 & 1376 (Fed. Cir. 2013) (finding  
 26 *Kirtsaeng* instructive for patent exhaustion because the “Supreme Court has frequently explained that  
 27 copyright cases inform similar cases under patent law,” and noting the “common policies underlying  
 28 patent exhaustion and the [copyright] first sale doctrine”). In analyzing the *Kirtsaeng* decision, the

1 Federal Circuit recognized that “copyright’s first sale doctrine, unlike patent exhaustion, has been  
 2 codified by statute.” *LifeScan*, 734 F.3d at 1376. Nevertheless, the Federal Circuit explained that the  
 3 copyright analysis was instructive because “the Supreme Court looked to the doctrine’s common law  
 4 roots to interpret that [statutory] provision. *Kirtsaeng*, 133 S. Ct. at 1363 (“The ‘first sale’ doctrine is a  
 5 common-law doctrine with an impeccable historic pedigree.”).” *LifeScan*, 734 F.3d at 1376.

6 In reviewing the common law, the *Kirtsaeng* Court reasoned that “a geographical limitation [to  
 7 first-sale] was previously lacking” in the copyright statute, and that the statute did not act to impose  
 8 such a geographic limitation. *See Kirtsaeng*, 133 S. Ct. at 1360. Similarly, the Supreme Court  
 9 determined that patent exhaustion—which is not codified by statute and therefore not restricted—is  
 10 “unrestricted in time or place.” *Keeler*, 157 U.S. at 666. Much like the “authorized sale of an article  
 11 that substantially embodies a patent exhausts the patent holder’s rights and prevents the patent holder  
 12 from invoking patent law to control postsale use of the article,” *Quanta*, 553 U.S. at 638, “the very  
 13 basic concept of copyright law [is] that, once you’ve sold a copy legally, you can’t restrict its resale.”  
 14 *Kirtsaeng*, 133 S. Ct. at 1363.

15 **C. The Patentee Received Its Reward for the Patents-in-Suit, and the Authorized**  
 16 **Sale from the Toshiba Entities to SanDisk Exhausts those Patents.**

17 As described above, Micron and Toshiba entered into a worldwide portfolio cross-license.  
 18 Micron granted Toshiba unconditional worldwide rights to Micron’s patents (including its United States  
 19 patents). In return, Micron received [REDACTED]

20 [REDACTED]  
 21 [REDACTED] [Ex. 11 (Westergard Dep. Tr.) at 117:15–118:11, 126:10–23; *see also id.*  
 22 at 129:15–130:19.] Nonetheless, Round Rock now seeks a reading of patent law that would allow it to  
 23 sue downstream customers of Toshiba entities simply because the licensed products were sold in Japan  
 24 before they traveled to the United States. Although the Toshiba entities undisputedly have an  
 25 [REDACTED] flash memory anywhere in the world,  
 26 Round Rock takes the litigation position that those activities are prohibited to the Toshiba entities unless  
 27 they ship licensed products directly to the United States before selling them to their customers. Thus,  
 28 under Round Rock’s view of patent exhaustion, Round Rock could sue Toshiba for inducing

1 infringement of the patents-in-suit based on Toshiba's sale of flash memory chips to a customer in  
 2 Japan and the customer's subsequent importation of those chips into the United States, even though  
 3 Toshiba already compensated Round Rock's predecessor for the unrestricted right to sell and import  
 4 those chips anywhere in the world. As a result, Round Rock seeks to impose post-sale restrictions on the  
 5 unrestricted, worldwide license that its predecessor to the patents-in-suit granted the Toshiba entities.  
 6 *But see Quanta*, 553 U.S. at 638 ("The authorized sale of an article that substantially embodies a patent  
 7 exhausts the patent holder's rights and prevents the patent holder from invoking patent law to control  
 8 postsale use of the article.").

9 **1. Jazz Photo and Ninestar rely on the narrow *Boesch v. Graf* decision.**

10 Round Rock rationalizes the post-sale restriction it is trying to place on the Micron-Toshiba  
 11 License by relying on the *Jazz Photo* progeny of cases<sup>4</sup> and *Ninestar*<sup>5</sup> to argue that patent exhaustion  
 12 "applies only to products first sold in the United States—not to products purchased by an alleged  
 13 infringer outside the United States that are imported into and/or resold in the United States." [Dkt.  
 14 No. 123 at 7:1–3.] But Round Rock's reliance on these factually dissimilar cases is misplaced, as  
 15 they do not stand for the absolute proposition that Round Rock advocates.

16 The *Jazz Photo* line of cases involved a series of patent infringement lawsuits brought by Fuji  
 17 against Jazz Photo, Mr. Benun, and other accused infringers, relating to refurbishing single-use  
 18 cameras. *See generally Jazz Photo I*, 264 F.3d at 1094. "The primary issue was whether the  
 19 refurbishment constituted repair (which is permitted under the patent laws) or reconstruction (which is  
 20 not)." *LG Elecs., Inc. v. Hitachi, Ltd.*, 655 F. Supp. 2d 1036, 1045 (N.D. Cal. 2009) (reviewing *Jazz*  
 21 *Photo I* and *Jazz Photo II*). The Federal Circuit examined the activities of the accused infringers—  
 22 specifically the various steps used to refurbish the single-use cameras—and determined that certain

23 <sup>4</sup> The *Jazz Photo* line of cases includes *Jazz Photo Corp. v. Int'l Trade Comm'n*, 264 F.3d 1094  
 24 (Fed. Cir. 2001) [*"Jazz Photo I"*]; *Fuji Photo Film Co., Ltd. v. Benun*, 463 F.3d 1252 (Fed. Cir.  
 25 2006) [*"Jazz Photo II"*]; and *Fujifilm Corp. v. Benun*, 605 F.3d 1366 (Fed. Cir. 2010) [*"Jazz Photo*  
*III"*]. Each of these cases involved substantially the same set of facts in a protracted series of  
 litigation over refurbished instant cameras.

26 <sup>5</sup> In *Ninestar*, the Federal Circuit tersely summarized the *Jazz Photo* cases and then found the  
 27 continued violation of an ITC general exclusion order to be "egregious" and in bad faith for  
 28 importing products through the "manipulation of transaction dates . . . misdescriptions of the  
 cartridges [and] fil[ing] false affidavits." *Ninestar Tech. Co., Ltd. v. Int'l Trade Comm'n*, 667 F.3d  
 1373, 1377–79 (Fed. Cir. 2012), *pet. for cert. denied*, 113 S. Ct. 1656 (Mar. 25, 2013).

steps constituted permissible repair and not prohibited reconstruction. *Jazz Photo I*, 264 F.3d at 1101, 1105–1101. This dichotomy implicates the doctrine of patent exhaustion because it affects the post-sale rights of subsequent purchasers of a licensed product. If a product is lawfully sold, then the purchaser and all subsequent purchasers possess authority to repair it. *See Aro Mfg. Co. v. Convertible Top Replacement Co.*, 365 U.S. 336, 346 (1961). Reconstructions, however, constitute a second copy that can exceed the rights that accompany an initial sale and are not allowed under U.S. patent law. *See id.* at 342–343. In deciding the repair/reconstruction issue, the Federal Circuit in *Jazz Photo I* commented that the repair doctrine was not applicable for refurbished cameras whose outer shells had not been originally sold in the United States, because “United States patent rights are not exhausted by products of foreign provenance.” 264 F.3d at 1105. But to support this statement, the Federal Circuit cited only one case—*Boesch v. Graf*. Subsequent *Jazz Photo* and *Ninestar* decisions also rely on *Boesch v. Graf* to hold that *Quanta* “did not eliminate the first sale rule’s territoriality requirement.” *Jazz Photo II*, 463 F.3d at 1376; *see also Jazz Photo III*, 605 F.3d at 1371; *Ninestar*, 667 F.3d at 1378.

**2. The *Jazz Photo* and *Ninestar* cases rely upon *Boesch v. Graf*, which did not involve an authorized sale under a United States patent.**

*Boesch v. Graf* does not stand for the proposition that overseas sales can never be the basis for exhaustion. Rather, the Court declined to find exhaustion because the patent owner did not authorize the sale under the United States patent (or any patent, for that matter). The patent owner in that case held patents in both the United States and Germany for certain lamp components, but a third-party individual in Germany held a prior-use right under German law to *only* the German patent. *Boesch v. Graf*, 133 U.S. 697, 701 (1890). The accused infringer purchased lamp components from that third party in Germany, incorporated them into lamps, and sold the lamps in the United States. *Id.* The Supreme Court held that the sale by the unauthorized individual with prior-use rights to the German patent did not exhaust rights to the United States patent because the sale—in contrast to the facts in this case—was “without the license or consent of the owners of the United States” patent. *Id.* at 702–703; *but see Jazz Photo I*, 264 F.3d at 1105 (relying on *Boesch v. Graf* for the proposition that “a lawful foreign purchase does not obviate the need for license from the United States patentee before importation into and sale in the United States”). Subsequently, the

Supreme Court reconciled the no-exhaustion holding in *Boesch* with other Supreme Court cases that did find exhaustion, by recognizing that *Boesch* presented a narrow fact pattern:

*Boesch v. Graff* . . . is not out of line with the previous cases. The exact question presented was whether a dealer residing in the United States could purchase in another country articles patented there from a person authorized there to sell them, ***and import them to and sell them in the United States without the license or consent of the owners of the United States patent***, and the court held that the sale of articles in the United States under a United States patent cannot be controlled by foreign laws. In this case ***neither the patentee or any assignee had ever received any royalty or given any license to use the patented article in any part of the United States***.

*Keeler*, 157 U.S. at 664–665 (emphasis added). The *Keeler* Court understood its prior precedent (including *Boesch*) to collectively hold that “one who buys patented articles of manufacture from one ***authorized to sell*** them becomes possessed of an absolute property right in such articles, ***unrestricted in time or place***.” *Id.* at 666.

**3. *Boesch*, *Jazz Photo*, and *Ninestar* are inapplicable, because Micron authorized Toshiba’s sales under a worldwide license to U.S. patents.**

The present case is distinguishable not only from *Boesch*, but also from *Jazz Photo* and *Ninestar*. Unlike the Supreme Court decisions finding exhaustion because the first sale was authorized under a United States patent—e.g., *Adams* and *Hobbie*—the *Boesch* Court found the first sale was ***not*** authorized under a United States patent. In *Boesch*, the patentee did not make the sale abroad, nor did its licensee make that sale. Rather, the seller was one who had no license under any patents, but instead had a right to sell under the German patent only because of prior-use rights under German law. *Boesch*, 133 U.S. at 701. Under the narrow circumstances of *Boesch*, the patentee did not receive any compensation for the use of his invention in any country (let alone the United States), nor did he consent to its importation into the United States. *See, e.g., Curtiss Aeroplane & Motor Corp. v. United Aircraft Eng’g Corp.*, 266 F. 71, 77 (2d Cir. 1920) (summarizing the facts of *Boesch* as “no participation whatsoever by the owner of the patent, either as a party or as a privy, in the putting out of the article which is alleged to infringe.”); *Keeler*, 157 U.S. at 664–665 (discussing the “exact question presented” in the *Boesch* decision). In contrast, Micron licensed its United States patents, received compensation for the use of its inventions in all countries of the world (including the United States) under each of the patents-in-suit, and even agreed that the Toshiba

1 entities [REDACTED]

2 [REDACTED] [See Dkt. No. 133, Ebertin Decl. Ex. 24 (Micron-Toshiba License) at § 3.1.]

3 Thus, in contrast to the *Boesch* decision, the sale of flash memory products from the Toshiba entities  
4 to SanDisk is with “the license [and] consent of the owners of the United States patent.”

5 The *Jazz Photo* progeny and *Ninestar* cases are distinguishable not just because they rely on  
6 the *Boesch* decision, but also because they address different issues from those in the present dispute.  
7 In *Jazz photo*, the Federal Circuit focused on the repair versus reconstruction issue. In *Ninestar*, the  
8 issue before the court was whether a penalty should be imposed upon the accused infringer for  
9 continuing to import goods in violation of an ITC general exclusion order and cease and desist order.  
10 667 F.3d at 1376–77. In *Ninestar*, the violation of the orders were “egregious” and in bad faith for  
11 importing products through the “manipulation of transaction dates . . . misdescriptions of the  
12 cartridges [and] fil[ing] false affidavits.” *Id.* at 1377–79. In the *Jazz Photo* and *Ninestar* cases, the  
13 Federal Circuit was not required to directly address the implications of an overseas sale where the  
14 seller had an unconditional worldwide license [REDACTED]

15 [REDACTED] of the products.

16 **a. Other courts have directly addressed applying exhaustion to**  
17 **products sold overseas pursuant to a worldwide license.**

18 Other district courts who have directly addressed the central issue here have concluded that  
19 patent exhaustion applies. For example, this Court held that because Intel’s overseas sales to Hitachi  
20 were “specifically authorized by [a] *worldwide* license agreement,” the sales “fall squarely within  
21 the ambit of *Quanta*” and patent exhaustion applies. *LG Elecs.*, 655 F. Supp. 2d at 1044. This Court  
22 further explained:

23 Drawing . . . a distinction between authorized domestic sales and authorized foreign  
24 sales would negate the Supreme Court’s stated intent in *Quanta* to eliminate the  
25 possibility of a patent holder doing an “end-run” around the exhaustion doctrine by  
26 authorizing a sale, thereby reaping the benefit of its patent, then suing a downstream  
27 purchaser for patent infringement.  
28



1 *Id.* at 1046.<sup>6</sup> In *STMicroelectronics*, the magistrate judge granted summary judgment on SanDisk’s  
 2 patent exhaustion defense—on strikingly similar facts and an almost identical unconditional  
 3 worldwide license as in the present case—holding that *Jazz Photo* did not stand for the proposition  
 4 that only sales within the United States can trigger the exhaustion doctrine when there is a valid  
 5 worldwide license covering the patents-in-suit and the products. *STMicroelectronics, Inc. v.*  
 6 *SanDisk Corp.*, No. 4:05cv45, 2007 WL 951655 at \*3 (E.D. Tex. Mar. 27, 2007).<sup>7</sup> Because the  
 7 patentee there had given the Toshiba entities a license in “all countries of the world,” and “[a]ll  
 8 countries in the world includes the United States of America,” the *STMicroelectronics* court  
 9 concluded that the Toshiba entities had the “right to [sell] any of the licensed products under the  
 10 United States Patents. . . in the United States or anywhere in the world.” *Id.* at \*3; *see also* *Sanofi,*  
 11 *S.A. v. Med-Tech Veterinarian Prods., Inc.*, 565 F. Supp. 931, 940 (D.N.J. 1983) (recognizing the  
 12 distinction between a case applying exhaustion “where seller abroad had contractual authority to sell  
 13 in the United States” and the *Boesch* decision, in which “no exhaustion [applied] where seller abroad  
 14 had no authority to sell in the United States”).

15 In *Multimedia Patent Trust v. Apple, Inc.* (“MPT”), another court distinguished *Fuji* and  
 16 *Ninestar* on the grounds of a worldwide license to United States patents. No. 10-CV-2618-H (KSC),  
 17 2012 WL 6863471 at \*5 (S.D. Cal. Nov. 9, 2012). There, MPT accused Canon products of  
 18 infringement based on functionality in Fujitsu chips contained in those products. *Id.* at \*2.

19 \_\_\_\_\_  
 20 <sup>6</sup> Round Rock relies on the *Medimmune, LLC v. PDL BioPharma, Inc.* decision, rendered prior to  
 21 the Supreme Court’s *Kirtsaeng* opinion. [See Dkt. No. 146 at 6:14–17.] The *Medimmune* case  
 22 involved international sales of a patented product from a licensee to its exclusive distributor, which  
 23 then resold the goods to end users. No. C 08-5590 JF (HRL), 2011 WL 61191, at \*15–\*20 (N.D.  
 24 Cal. Jan. 7, 2011). The *Medimmune* case is irrelevant to the issues at hand because there the  
 25 patentee sought compensation only from the licensee/seller based on a patent license requiring a 3%  
 royalty on net sales. *Id.* at \*15. The licensee had “paid royalties based on its revenue from its sale  
 [of products at a lower price] to [the distributor], rather than [the higher price for distributor’s]  
 subsequent sales to third-parties.” *Id.* The court addressed whether the distributor was a  
 “sublicensee” in order to determine which price to use as the royalty base for the 3% calculation. *Id.*  
 Under either calculation, the patentee received only a single reward, which it sought only from the  
 seller/licensee, as opposed to the downstream purchaser.

26 <sup>7</sup> While *LG v. Hitachi* and *STMicroelectronics v. SanDisk* were decided prior to the Federal  
 27 Circuit’s *Jazz Photo III* decision (and the Supreme Court’s *Kirtsaeng* decision), the Federal Circuit  
 28 in *Jazz Photo III* was not required to directly address the implications of an overseas sale when the  
 seller has an unconditional worldwide license to sell, import, or otherwise dispose of the products at  
 issue under United States patents. *See generally Jazz Photo III*, 605 F.3d at 1369–72.

1 However, a prior owner of the asserted patent had entered into a cross-license with Fujitsu that  
 2 allowed Fujitsu to “make, have made, use, lease, sell and import” products under patents “in any or  
 3 all countries of the world.” *Id.* at \*3. [*Compare* Dkt. No. 133, Ebertin Decl. Ex. 24 (Micron-  
 4 Toshiba license) at § 3.1.] As Round Rock does in this case, the patent owner in *MPT* “argue[d] that  
 5 Canon’s exhaustion defense fails as a matter of law because sales occurring outside of the United  
 6 States do not exhaust patent rights, relying on the *Jazz Photo* line of cases and *Ninestar*. . . .” *MPT*,  
 7 2012 WL 6863471 at \*5. As this Court should do, the *MPT* court distinguished *Jazz Photo* and  
 8 *Ninestar*, explaining that “those cases only involved foreign sales made directly by the patentee and  
 9 did not involve sales made pursuant to an unconditional worldwide license.” *Id.* at \*5. In contrast,  
 10 Fujitsu “was authorized under the ’377 Patent to sell Canon the accused chips, and the doctrine of  
 11 patent exhaustion applies to these sales.” *Id.* at \*5. Here, too, the Toshiba entities are authorized  
 12 pursuant to an unconditional worldwide license to the patents-in-suit to sell the accused flash  
 13 memory chips to SanDisk, and patent exhaustion applies to those sales.

14 **4. Round Rock seeks to establish a system where a patentee can receive**  
 15 **multiple rewards for an authorized sale, and where a patentee can impose**  
 16 **post-sale restrictions on an unconditional license.**

17 Applying exhaustion in this litigation would foster the policies set forth in the Supreme  
 18 Court’s exhaustion and first sale jurisprudence. The Supreme Court has “uniformly recognized that  
 19 the purpose of the patent law is fulfilled with respect to any particular article when the patentee has  
 20 received his reward for the use of his invention by the sale of the article, and that once that purpose  
 21 is realized the patent law affords no basis for restraining the use and enjoyment of the thing sold.”  
 22 *Univis Lens*, 316 U.S. at 251; *see also Masonite*, 316 U.S. at 278. Here, Micron “received [its]  
 23 reward” because in exchange for providing a worldwide license to the patents-in-suit to Toshiba,

24 By seeking payment from a downstream customer because the authorized seller exercises a  
 25 right that it already paid for (i.e., making an authorized sale anywhere in the world), Round Rock  
 26 attempts an end-run around exhaustion. However, the Supreme Court has squarely rejected this  
 27 double-dipping tactic. Allowing “any downstream purchasers of the system [to] be liable for patent  
 28 infringement . . . would violate the longstanding principle that, when a patented item is ‘once lawfully



made and sold, there is no restriction on [its] use to be implied for the benefit of the patentee.”  
*Quanta*, 553 U.S. at 630 (quoting *Adams*, 84 U.S. at 457). To now require the Toshiba entities to  
 either sell their products directly in the United States (as opposed to in Japan) or else subject their  
 customers to potential infringement liability would effectively impose an impermissible post-sale  
 restriction on the Toshiba-Micron license. *See id.* at 638. A finding of no exhaustion in this case  
 would substantially hinder the rights of the Toshiba entities and similarly situated licensees, because:

an overseas component manufacturer like [the Toshiba entities] would have to  
 possess a distribution network that would allow it to import and sell its component  
 parts in each country where its components might eventually be used and sold by its  
 downstream customers. This would be the only way that the licensee could ensure  
 that its downstream customers would not be later liable for patent infringement. This  
 circumstance is contrary to the licensee’s possession [*sic*, of] an unconditional  
 worldwide license to practice the patent.

*See MPT*, 2012 WL 6863471 at \*5; *accord Keeler*, 157 U.S. at 666–667 (exhaustion “does not  
 deprive a patentee of his just rights, because no article can be unfettered from the claim of his  
 monopoly without paying its tribute. The inconvenience and annoyance to the public that an  
 opposite conclusion would occasion are too obvious to require illustration.”); *Kirtsaeng*, 133 S. Ct.  
 at 1366 (discussing the “intolerable consequences [of applying geographical limitations to copyright  
 first sale doctrine] along with the absurd result that the copyright owner can exercise downstream  
 control even when it authorized the import or first sale”).

#### **D. The Accused Products Substantially Embody Claims of the Patents-In-Suit.**

All of the asserted claims of the ’791, ’345, and ’053 patents are directed to either specific  
 features of a flash memory chip alone, or that chip in combination with a general purpose processor  
 or controller. The licensed memory chips purchased from the Toshiba entities that are used in the  
 accused SanDisk products possess, or are alleged by Round Rock to possess, all of the claimed  
 features of these three patents. Thus, as explained above, Round Rock’s rights to enforce these  
 patents against SanDisk have been exhausted because the licensed memory chips substantially  
 embody the claims. Before Round Rock served its expert reports, SanDisk previously provided  
 detailed reasoning as to how Round Rock alleges that the ’791, ’345, and ’053 patents are  
 substantially embodied by the licensed memories, which it incorporates herein. [*See* Dkt. No. 132 at

11–20; Dkt. No. 219-1.] Since those briefs, Round Rock’s experts have admitted that the licensed flash memory chips substantially embody two of the patents—the ’791 and ’053 patents.

As to the ’791 patent, Round Rock contends that “[a]ll of SanDisk products with a memory chip in the 19, 24, 32, 43, 56nm generations are accused of infringing the ’791” patent. [Ex. 4 (Wagner Rept.) at p. 28 ¶ 65; *see also id.* at pp. 126-127 ¶ 424; Ex. 5 (Zeidman Opening Rept.) at p. 47 ¶¶ 124, 126 (same).] Round Rock’s technical expert “agree[s] with Mr. Maltiel’s opinion that SanDisk’s 19nm-56nm memories *fully or substantially embody* claim 14 of the ’791 patent.” [Ex. 13 (Zeidman Rebuttal Rept.) at p. 124 ¶ 354 (emphasis added).] Further, Round Rock accused the memory chips of infringement in its infringement contentions. [Dkt. No. 186 (Mot. to Am. Inf. Conts.) at Exhibit H1 (chart for ’791 patent accusing memory chips).] Accordingly, Round Rock “cannot [now] claim otherwise.” *LG Elecs.*, 655 F. Supp. 2d at 1044. There is no genuine dispute that the ’791 patent is substantially embodied by the licensed flash memories sold to SanDisk by the licensed Toshiba entities.

As to the ’053 patent, both Round Rock’s expert and its infringement contentions allege that “[a]ll SanDisk products that include memory chips with Toggle mode (24nm and 19nm flash memory chips) or [REDACTED] (including 56nm through 19nm flash memory chips) infringe claim 24 of the ’053 Patent.” [Ex. 5 (Zeidman Opening Rept.) at p. 39 ¶ 107]; *see also* Ex. 4 (Wagner Rept.) at p. 129 ¶ 434; Dkt. No. 186 at Exhibit L1 (chart for ’053 patent, accusing Toshiba memory).] *See LG Elecs.*, 655 F. Supp. 2d at 1044. Moreover, Round Rock’s technical expert “agree[s] with Mr. Maltiel’s opinion that the [REDACTED] and the toggle mode features accused of infringement *are substantially embodied* by SanDisk’s memories.” [Ex. 13 (Zeidman Rebuttal Rept.) at p. 123 ¶ 352 (emphasis added).] Thus, there is no genuine dispute that the ’053 patent is substantially embodied by the flash memories sold to SanDisk by the licensed Toshiba entities.

## **V. CLAIM 14 OF THE ’791 PATENT IS INVALID FOR ANTICIPATION.**

### **A. Legal and Factual Background**

Claim 14 of the ’791 patent is directed to a flash memory device that can send or receive data on both the rising and falling edges of a clock signal. [Ex. 5 (Zeidman Opening Rept.) at p. 29 ¶ 81.] This feature is known as “double data rate,” or “DDR.” However, the use of DDR in flash memory is not new. In particular, U.S. Patent No. 6,324,602 to Chen (“Chen”), with a priority date of

1 August 17, 1998 [Ex. 14], expressly discloses a flash memory device that sends and receives data on  
 2 both the rising and falling edges of a clock signal. Because Chen is undisputedly prior art under 35  
 3 U.S.C. § 102(e) and discloses each limitation of claim 14 of the '791 patent, that claim is anticipated  
 4 as a matter of law.

5 Round Rock does not dispute that Chen is prior art [*see* Ex. 6 (Zeidman Dep. Tr.) at 249:5–7  
 6 (agreeing that the “Chen reference is prior art” to the '791 patent)]. Instead, Round Rock argues that  
 7 Chen does not anticipate claim 14 of the '791 patent based on its expert’s bald assertion that Chen  
 8 teaches away from using flash memory with DDR circuitry. Chen, however, expressly teaches the  
 9 *precise opposite*—that “flash memory” is a “suitable memory” for use with Chen’s disclosed DDR  
 10 circuitry. Expert opinions that contradict the express teachings of the evidence do not create a  
 11 genuine issue of material fact, and thus summary judgment of invalidity of claim 14 is warranted.

12 A patent claim is anticipated if any embodiment covered by the claim is disclosed in a  
 13 “patent granted on an application for patent by another filed in the United States before the invention  
 14 by the applicant for patent....” 35 U.S.C. § 102(e). Summary judgment is proper if there is no  
 15 genuine dispute whether the limitations of the claimed invention are disclosed, either explicitly or  
 16 inherently, by a prior art reference. *See IPXL Holdings, L.L.C. v. Amazon.com, Inc.*, 430 F.3d 1377,  
 17 1380–81 (Fed. Cir. 2005). Unsupported conclusions on the ultimate issue of invalidity are  
 18 “insufficient to raise a genuine issue of material fact.” *Dynacore Holdings Corp. v. U.S. Philips*  
 19 *Corp.*, 363 F.3d 1263, 1278 (Fed. Cir. 2004). Instead, the opposing party must set forth “specific  
 20 facts showing that there is a genuine issue for trial” and do “more than simply show that there is  
 21 some metaphysical doubt as to the material facts.” *Matsushita Elec. Indus. Co. v. Zenith Radio*  
 22 *Corp.*, 475 U.S. 574, 586–587 (1986).

23 **B. Chen Invalidates Asserted Claim 14 of the '791 patent.<sup>8</sup>**

24 Asserted Claim 14 of the '791 patent recites:

25 14. A processing system comprising:  
 26 [1] a processor; and

27 <sup>8</sup> The scope of SanDisk’s Motion for invalidity of the '791 Patent is limited to anticipation of claim  
 28 14 by the Chen reference. SanDisk reserves its rights as to its other invalidity assertions, including  
 other asserted claims of the '791 patent, obviousness, and other prior art references.

[2] a double data rate flash memory coupled to the processor comprising:

[2a] an array of non-volatile memory cells;

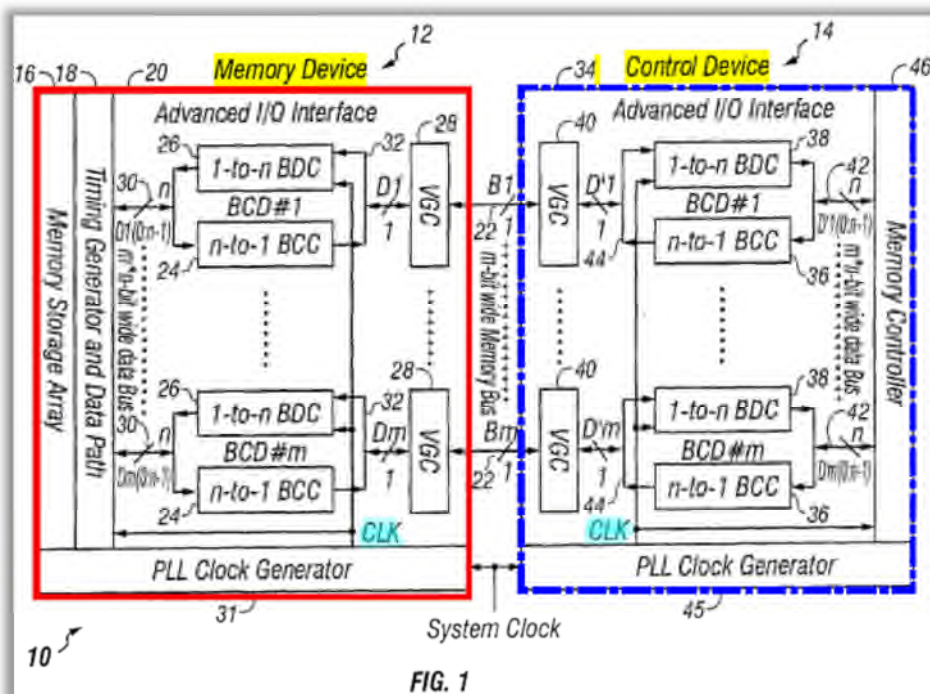
[2b] a clock signal connection to receive a clock signal; and

[2c] control circuitry coupled to the array to provide two data access operations per clock cycle.

[Dkt. No. 109-7 ('791 patent) at 7:20–8:3.] Round Rock essentially concedes, as it must, that elements 1 and 2b are expressly disclosed by the Chen patent. As further demonstrated below, Chen expressly discloses elements 2, 2a, and 2c as well. Accordingly, claim 14 of the '791 patent is anticipated as matter of law. [See Maltiel Decl. at Ex. A (Invalidity Report) at ¶ 358.]

### 1. It is undisputed that Chen discloses “a processor.”

Chen discloses using a “microprocessor” for Memory Controller 46 (inside Control Device 14, dashed blue box) [see Ex. 14 (Chen) at 7:55–59], and a microprocessor is a “processor.” [Maltiel Decl. at Ex. A ¶ 360.] Round Rock’s expert does not dispute this fact in his expert report. [See Ex. 13 (Zeidman Rebuttal Rept.) at 76–79, ¶¶ 224–33.]



### 2. Chen discloses “a double data rate flash memory coupled to the processor.”

#### a. Chen expressly discloses “double data rate . . . memory coupled to the processor.”

Round Rock’s expert does not dispute that Chen discloses Memory Device 12 (shown in the

red solid box in annotated Figure 1), which is a type of “memory.” Further, Round Rock’s expert does not dispute that Memory Device 12 is “coupled to the” Memory Controller 46 (the claimed “processor”) over Memory Bus 22. [See Maltiel Decl. at Ex. A, 135–36 ¶ 361; Ex. 13 (Zeidman Rebuttal Rept.) at 76–79 ¶¶ 224–233.] Thus, there is no dispute that Chen discloses a “memory coupled to the processor.”

The “memory” in Chen is “double data rate [DDR] memory.” [Maltiel Decl. at Ex. A ¶ 361.] Memory Device 12 both sends data to and receives data from Memory Controller 46 at DDR over Memory Bus 22 (as shown on Figure 1, above). [*Id.*] A component in each of the Memory Device 12 and the Control Device 14 is an advanced input/output (I/O) interface. [Ex. 14 (Chen) at 5:49–60; 7:44–54; Fig. 1; *see also* Maltiel Decl. at Ex. A ¶ 361, Exhibit C (Reply Report) at ¶¶ 73-75.] Round Rock’s expert agrees that Chen expressly discloses that each of these I/O interfaces can be used to communicate data between the memory and control device on “both the rising and falling edges of a clock signal,” labelled CLK in Figure 1. [See Ex. 14 (Chen) at 9:18–23 (“The information in signal B<sub>k</sub> can be clocked out of advanced I/O interface 20 at *DDR (i.e., clocked on both the rising and falling edges of a clock signal).*”) (emphasis added)); *see also* Maltiel Decl. at Ex. A ¶ 361; Ex. 6 (Zeidman Dep. Tr.) at 257:7–15 (agreeing that “Chen discloses an interface that clocks data on both the rising and the falling edges of a clock signal”).] Round Rock’s expert further agrees that “a DDR interface [is one which] allows data to be accessed on both the rising and falling edge of a clock signal.” [Ex. 5 (Zeidman Opening Rept.) p. 29 ¶ 81.] Accordingly, there is no disputed issue of fact that Chen discloses “double data rate . . . memory coupled to the processor.”

**b. There is no genuine dispute that Chen discloses “flash memory” as one example of a DDR memory coupled to the processor.**

Chen expressly states that one way to implement Memory Device 12 is with “flash memory.”

In general, **memory device 12 can be any suitable integrated circuit (IC) memory device including** dynamic random access memory (DRAM), static random access memory (SRAM), non-volatile random access memory (NVRAM), and read only memory (ROM), such as erasable programmable ROM (EPROM), electrically erasable programmable ROM (EEPROM), and **flash memory**, or any other suitable memory.

[Ex. 14 at 4:44–52 (emphasis added).] Round Rock’s own technical expert admits, as he must, that

1 Chen explicitly discloses “flash memory.” [See Ex. 6 (Zeidman Dep. Tr.) at 249:5–7 (“A. Flash  
2 memory is specifically mentioned there.”).] Nevertheless, he argues that Chen is “insufficient to  
3 disclose that flash be configured to operate in a DDR mode.” [Ex. 13 (Zeidman Rebuttal Rept.) at  
4 77–78 ¶ 231.] To support his assertion, Mr. Zeidman completely rewrites the Chen passage quoted  
5 above, which Mr. Zeidman interprets as excluding flash memory from the list of “suitable”  
6 memories. [*Id.* at 76–77 ¶ 228.]

7 Mr. Zeidman’s rewriting of the Chen reference is wrong and should be disregarded. The  
8 attempt by Round Rock’s expert to ignore the explicit disclosure of Chen is both factually and legally  
9 incorrect. The plain text of Chen expressly states that the “memory device 12” for use with the  
10 invention “can be any suitable integrated circuit (IC) memory device **including** dynamic random access  
11 memory (DRAM), . . . non-volatile random access memory (NVRAM), [other examples], **flash**  
12 **memory** or any other suitable memory.” [Ex. 14 (Chen) at 4:44–52 (emphasis added).] A person with  
13 no skill in the art, let alone ordinary skill, would understand clearly that “including . . . flash memory”  
14 does not mean “excluding . . . flash memory.” Because Mr. Zeidman directly contradicts what Chen  
15 explicitly discloses, Round Rock cannot rely on his opinions to manufacture a genuine issue of material  
16 fact. See *Invitrogen Corp. v. Clontech Labs., Inc.*, 429 F.3d 1052, 1080 (Fed. Cir. 2005) (“[A] party  
17 does not manufacture more than a merely colorable dispute simply by submitting an expert declaration  
18 asserting that something is black when the moving party’s expert says it is white; there must be some  
19 foundation or basis for the opinion”).

20 Round Rock’s attempt to ignore the explicit disclosure of Chen is further incorrect. The  
21 requirement for anticipation is that “[i] a reference must describe, either expressly or inherently, each  
22 and every claim limitation and [ii] enable one of skill in the art to practice an embodiment of the  
23 claimed invention without undue experimentation.” *Am. Calcar, Inc. v. Am. Honda Motor Co.*, 651  
24 F.3d 1318, 1341 (Fed. Cir. 2011). As described above, there is no reasonable dispute as to the first  
25 factor because Chen does “expressly” disclose “each and every claim limitation.” Similarly, there is  
26 no dispute as to the second factor, because Round Rock’s expert conceded that he is not arguing that  
27 Chen fails to enable. [See Ex. 6 (Zeidman Dep. Tr.) at 242:21–243:4 (“Q. Your report does not  
28 allege that the Chen reference fails to enable its full disclosure, does it? A. No. Q. And you don’t



1 intend to testify at trial that the Chen reference is not enable, do you? A. I don't have that  
 2 intention.').] Further, Chen is a patent issued by the United States Patent Office, and "when an  
 3 accused infringer asserts that a prior art patent anticipates specific patent claims, the infringer enjoys  
 4 a presumption that the anticipating disclosure also enables the claimed invention." *Impax Labs v.*  
 5 *Aventis Pharms.*, 545 F.3d 1312, 1316 (Fed. Cir. 2008).

### 6 **3. Chen expressly discloses an "array of non-volatile memory cells."**

7 As described in the previous section, Chen does disclose using "flash memory" for Memory  
 8 Device 12. It is undisputed that flash memory contains an "array of non-volatile memory cells."  
 9 [See Ex. 13 (Zeidman Rebuttal Rept.) at 76–79, ¶¶ 224–33.] Indeed, the memory cells in Memory  
 10 Storage Array 16 (left side of red solid box in Figure 1), would necessarily be non-volatile memory  
 11 cells if implemented using flash memory. [See Maltiel Decl. at Ex. A ¶ 362; see also Ex. 8  
 12 (Zeidman Opening Rept.) at 23 ¶ 60 (in background section of flash memory, referring to "memory  
 13 cells on a flash array"), *id.* at ¶ 61 ("Besides a memory array that stores digital information, flash  
 14 memory requires . . . .").] Mr. Zeidman further admits that flash memory is a type of "non-volatile  
 15 memory." [Ex. 8 (Zeidman Opening Rept.) at 13 ¶ 41.] Thus, there is no disputed material issue of  
 16 fact that Chen explicitly discloses an array of non-volatile memory cells.

### 17 **4. Chen discloses "a clock signal connection to receive a clock signal."**

18 Round Rock's expert admits that this element is met. [Ex. 6 (Zeidman Dep. Tr.) at 261:18–  
 19 21; *id.* at 262:2–7 (admitting "[t]he interface receives a clock signal").] As shown by the highlighted  
 20 "CLK" symbol above item 31 of Figure 1 of the Chen patent (marked "PLL Clock Generator"), the  
 21 disclosed memory device in the Chen patent includes a connection that receives a clock signal. [See  
 22 Maltiel Decl. at Ex. A ¶ 363; see also Ex. 14 (Chen) at 7:31–33 ("PLL clock generator 31 receives a  
 23 system clock signal as its input and generates a clock (CLK) signal for timing throughout advanced  
 24 I/O interface 20."); 14:6–12.]

### 25 **5. Chen discloses "control circuitry coupled to the array to provide two data access operations per clock cycle."**

26 Round Rock does not dispute that Chen discloses "control circuitry coupled to the array."  
 27 Indeed, the advanced I/O interface, PLL clock generator, and timing generator and data path circuitry  
 28 shown in Figure 1 of the Chen patent are coupled to the array. [Maltiel Decl. at Ex. A ¶ 364, Ex. C

¶¶ 74-75; *see* Ex. 13 (Zeidman Rebuttal Rept.) at 76–79 ¶¶ 224–33.] This control circuitry provides “two data access operations per clock cycle” (one on the rising edge of the clock signal, and one on the falling edge), thus satisfying this element. [*See* Maltiel Decl. at Ex. A ¶ 364.]

Because it cannot dispute that Chen expressly discloses operations on both the rising and falling edges of the same clock cycle, Round Rock’s expert argues that the Chen patent does not meet this claim limitation because the information sent is “compressed information.” [*See* Ex. 13 (Zeidman Rebuttal Rept.) at 78 ¶ 232.] However, Round Rock’s expert admitted that he is reading extraneous limitations into the claim, because nothing in claim 14 precludes sending compressed information. [*See* Ex. 6 (Zeidman Dep. Tr.) at 260:5–11 (“Q. . . My question is whether the limitations of claim 1 or 14 excluded compressed data or multilevel data. There is no such limitation, is there, sir? A. There is no specific limitation in those claims.”); 260:25–261:4 (“Q. That is not your opinion, is it, that the claims of the ’791 patent exclude compressed data or multilevel data? A. No.”); *see also* Maltiel Decl. at Ex. C at ¶ 74.] Where a prior art reference discloses each and every limitation of a patent claim, a patentee may not salvage the claim by reading in extraneous, unclaimed features. *Amazon.com, Inc. v. Barnesandnoble.com, Inc.*, 239 F.3d 1343, 1360 (Fed. Cir. 2001) (reviewing argument that the prior art reference “was not a world wide web application” and concluding that the “distinction is irrelevant” since “none of the claims mention either the Internet or World Wide Web”); *MEHL/Biophile Int’l Corp. v. Milgraum*, 192 F.3d 1362, 1366 (Fed. Cir. 1999) (prior art “article concerns itself with guinea pig, rather than human, skin, but that difference is irrelevant to the anticipation analysis. Nothing in the claims limits the method’s reach to human skin”). Accordingly, there is no genuine issue of material fact as to whether Chen discloses “two data access operations per clock cycle.” Because the Chen patent discloses each and every element of claim 14 of the ’791 patent, that claim is invalid for anticipation as a matter of law.

## VI. CONCLUSION

For the foregoing reasons, SanDisk requests that the Court grant this motion.

Dated: March 13, 2014

VINSON & ELKINS LLP

By: /s/ Chuck P. Ebertin

Chuck P. Ebertin

Attorneys for Plaintiff and Counterclaim  
Defendant, SANDISK CORPORATION



**CERTIFICATE OF SERVICE**

The undersigned certifies that on March 13, 2014, the foregoing document was filed with the Clerk of the U. S. District Court for the Northern District of California, using the court's electronic case filing system (ECF), in compliance with Civil L.R. 5-1. The ECF sends a Notice of Electronic Filing (NEF) to all parties and counsel who have appeared in this action and who have consented under Civil L.R. 5-1 to accept that NEF as service of this document.

/s/ Chuck P. Ebertin

Chuck P. Ebertin